

**Submission
No 399**

INQUIRY INTO IMPACT OF THE WESTCONNEX PROJECT

Name: Mr Philip Laird
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Rev the Hon Fred Nile MLC,
Members and Committee staff, Public Accountability Committee
Legislative Council of NSW
Macquarie St SYDNEY via Committee Secretariat

Dear Mr Nile,

Impact of the WestConnex project

Although I did not make a submission to the Committee in the current inquiry (I was in New Zealand when the inquiry was announced), and I know that submissions have closed, having read the transcripts for the three days of hearings so far, I am writing to commend the work of the Committee and hope that it can produce a report that may improve the current situation.

As an academic, I have been involved in land transport research at the University of Wollongong since the 1980s, and prior to that, as a community representative, was a member in the mid to late 1970s of the NSW Southern and Western Coal Transport Advisory Committee to the NSW Government.

Over this time, I have seen a mix of transport policy choices by the NSW Government by both sides of politics. The better ones include the policy of the late 1970s of the Wran Ferguson government that all coal transported to the port of Newcastle from new mines or expanded production from existing mines was to go by rail along with the completion of the Eastern Suburbs Railway in 1979 and the introduction of Random Breath Testing in the early 1980s (initially for a three year trial, literally saving a life a day). Completion of the airport line in the year 2000 (commenced by the Greiner Fahey government augmented by Wolli Creek station by the Carr government) is a further public good.

The worst NSW transport choices over 40 years, in my view, are parts of Westconnex. In particular Stage 3. Here I append to this letter extracts of my submission to the NSW Department of Planning. Like over 7000 other objections, it was given little apparent consideration.

I would be happy to provide further information on request.

Yours sincerely, *P G Laird*

Extracts of Submission to NSW Department of Planning and Environment re WestConnex Stage 3: M4 - M5 Link

from Philip Laird, University of Wollongong, October 2017

The submission is by way of objection and shall draw on research conducted at the University of Wollongong. However, the submission does not necessarily reflect the views the University.

The proposed project includes a new multi-lane road link connecting the M4 East project at Haberfield with the New M5 project at a St Peters Interchange. It is recommended that consideration be giving to refusing the application.

1. General Comment

New South Wales has a large infrastructure deficit and this will require significant funding to remedy. In particular, NSW has a current overall shortage of 'fit for purpose' rail infrastructure to serve a growing population. Whilst this in part is being addressed by construction of the North West Metro by 2019 to be followed by a Sydney Metro-City (with a harbour crossing) and Metro-South West to be operational by 2024, and a new light rail down George St and out to UNSW, many rail deficiencies remain.

The question of whether Sydney's car dependence should be further encouraged by construction of stage 3 of WestConnex (on top of the construction of North Connex and Stages 1 and 2 of WestConnex) is considered as one that should be addressed before Stage 3 approval is given. So also should the various impacts of WestConnex on the neighbourhoods where road tunnels start and end.

The question of whether more appropriate road pricing and better public transport is a better option than more tollways and freeways for Sydney should also be addressed.

It is respectfully suggested that more attention is needed to true 'user pays' and 'polluter pays' pricing of roads. The issues re transport pricing were addressed in 2003 in an official report on Sustainable Transport. However, the recommendations on fares and road pricing in this report by Mr Tom Parry were rejected by the government of the day. The present government would do well to revisit the 2003 Parry report.

Instead, the apparently easier option of building more roads is being pursued.

As noted by ABC News on 12 May 2017, the City of Sydney has proposed abandoning stage three of the controversial \$17 billion WestConnex toll road. In place, Lord Mayor Clover Moore put forward an alternative proposal that could save NSW some \$7 billion, by scrapping the stage three plans for a 9-kilometre underground tunnel from inner-city Haberfield to St Peters, which will join the M4 East tunnel and the new M5 tunnel.

The City of Sydney proposal, which sets out a range of alternatives, includes demand management, upgrades to King Georges Road, a realignment of the new M5 tunnel to come out closer to the Port of Botany, linking to the CBD via the Eastern Distributor and the sale of the vast St Peters Interchange site for housing.

A concern was also raised that unlike the other sections of WestConnex, the M4-M5 link contractors will undertake detailed design and construction planning "after" the project is approved.

Westconnex Stage 3 will have adverse impacts on many people living in inner west suburbs such as Rozelle and St Peters. It is submitted that inadequate consideration has been given to alternatives including a combination of improved road pricing, including time of day congestion pricing, and improved public transport.

For example, the rail serving the domestic and international terminals at Sydney Airport is under-utilised. This was outlined in a 2014 report "Removing or reducing station Access fees at Sydney airport" by General Purpose Standing Committee No 3 of the NSW Legislative Council. Reducing these station Access fees would likely see more use of rail to access Sydney's main airport.

It is wishful thinking that road congestion in Sydney can be reduced by building more roads. The overseas experience is that a more balanced strategy, including rail, is needed to reduce road congestion. Here, as noted by Ross Gittins in the Sydney Morning Herald (SMH) for 14 August 2013: "The Coalition doesn't seem to have learnt what I thought everyone realised by now: building more expressways solves congestion only for long as it takes more people to switch to driving their cars."

In short, Westconnex Stage 3 is a case of WRONG WAY – GO BACK.

1.1 Lessons from Melbourne and Perth

Melbourne's proposed East West tollway was made an upfront issue in the November 2014 Victorian state election, and effectively rejected by the voters.

In this regard, attention is drawn to the December 2015 report of the Australian National Audit Office called "Approval and Administration of Commonwealth Funding for the East West Link Project". The report notes, inter alia, that two \$1.5 billion commitments were made to this project, but (page 7) "Neither stage of the East West Link project had proceeded fully through the processes that have been established to assess the merits of nationally significant infrastructure investments prior to the decisions by Government to approve \$3 billion in Commonwealth funding and to pay \$1.5 billion of that funding in 2013–14."

Moreover (page 22) eEarlier business cases, including one dated 22 March 2013 in which the stated benefit cost ratio was 0.45, were not provided to either DIRD or Infrastructure Australia. This first came to the department's attention when, on 15 December 2014, the current Victoria Government published a number of documents relating to the project.

The report recommended that *"...as a matter of priority given the significant amount of Commonwealth funding that is involved, the Department of the Treasury recommend to the Treasurer that he make a determination requiring the return of the \$1.5 billion paid to Victoria in relation to the East West Link project."*

If the benefit cost ratio was actually 0.45, then the incoming Victorian Government did well to stop the project

December 2015 also saw the release of the report of the Auditor General of Victoria on the proposed East West Link (EWL) tollway. The report also noted benefit cost ratio of 0.45 and was critical of both the decision to commence work in 2014 by the former Government of Victoria (and at a time there were legal challenges to the project) and also terminating the project by the new government "without full consideration of the merits of continuing with the project." However, as per the conclusions (page x):

If it had proceeded to completion, the entire EWL project would have cost in excess of \$22.8 billion in nominal terms. Limitations in the business case meant there was little assurance that the prioritisation of significant state

resources to this project was soundly based.

It is also of note that following the March 2017 Western Australian state election, the formerly proposed Perth Freight link road will no longer proceed.

The abandoning of major road proposals in Melbourne and Perth raises some questions:

- A. what will be the total cost of WestConnex and how much government funding will be needed to complete it ?
- B. should Stage three WestConnex proposals be reviewed by each of the Australian and NSW Governments?

7. Alternative projects

It is suggested that other transport projects within New South Wales should have a higher priority than stage three of West Connex.

These other projects should include completion of the Maldon Dombarton rail line, a Parramatta - Epping rail link and a rail link to a Second Sydney airport along with speeding up Sydney Newcastle, Sydney Wollongong and Sydney Canberra trains (as noted by in the 2012 State Infrastructure Strategy of NSW by Infrastructure NSW).

Attention is also drawn to a 2012 report *Can we afford to get our cities back on the rails?* of the Grattan Institute. The paper looks back to the 19th Century, and towards the end, after reviewing a number of potentially valuable projects, and possible measures of part funding them, concludes:

“None of these measures are politically easy but there is evidence that voters have a big appetite for change in urban transport. ...

Perhaps the most obvious lesson of history is that urban passenger rail is a long-lived asset that can benefit a city more than a century after it is built. As J.J.C Bradfield wrote about the Sydney Harbour Bridge: —Future generations will judge our generation by our works.

As noted by this writer in the Australian Financial Review for Friday 30 September 2016 in Letters page 35

WestConnex is a bridge too far



The Harbour Bridge was a much better project than WestConnex will ever be.

“The article *Westconnex: What could go wrong* (September 24-25) - see also Letters September 26 and 29) notes that the chief executive of Sydney Motorway Corporation, Dennis Cliche, acknowledged the pain of resumption of houses which was also felt by Bradfield when building the Sydney Harbour Bridge.

However, this bridge was in so many ways a much better project for Sydney than Westconnex will ever be. Sydney now needs fewer cars rather than more cars moving around the Sydney CBD and nearby areas.

The cost of WestConnex has ballooned to at least \$16.8 billion, with the first stage receiving more than 4000 objections to the NSW Department of Planning and the second stage, the New M5 East, generating more than 9000 objections.

Alternatives such as congestion pricing for inner Sydney and incentives to use rail to get more passengers to and from the airport and freight to and from Port Botany have been apparently dismissed.

Westconnex does not fit in well with development of a new two stage Metro for Sydney with expanded light rail.

The cost of Westconnex to the federal and NSW taxpayers is a further issue. This money could well be better directed to additional rail capacity in Sydney as well as track upgrades to give faster train services between Sydney and regional NSW.

In 10 or even fewer years, it may become apparent that Victoria made the correct decision to cancel the East West tollway, whilst NSW made the wrong decision to build Westconnex.”

11. Conclusions

In the longer term, stage 3 of Westconnex will do little to ease road congestion in Sydney and it will bring more cars closer to the CBD of Sydney. Failure to address transport pricing and to improve rail do so will leave New South Wales with increasing road congestion, and dependence on oil. Oil vulnerability needs reducing, and not increasing.

This particular proposal will have adverse impacts on many people living in inner west suburbs such as Rozelle and St Peters.

Lessons may be learnt from the former Victorian governments proposal to construct a large and expensive East West Link motorway, and the 2015 reports of the Australian National Audit Office and the Victorian Auditor General. These reports give rise to the valid questions as to what will be the total cost of WestConnex and how much government funding will be needed to complete it ?

There is also the questions as to whether the prioritisation of significant state resources to Westconnex, at the expense of regional NSW, is soundly based?

In short, Westconnex Stage 3 is a case of:



It is recommended that the Westconnex Stage three proposal be put on hold by the NSW Department of Planning, until further and detailed consideration is given to alternatives including improved road pricing and better public transport for Sydney.